NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this 1844 day of May
DYANTHIA L. Meilk NOT JOINED herein by her spouse
whose addresss is 12 40 Montchatty Or, For Worth, Itans 16/12 as Lesson, and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Sulte 1870 Dallas Texas 75201, as Lessee. All printed portions of this lease were prepared by the party
hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee. 1. In consideration of a cash bonus in hand paid and the covenants herein contained. Lessor hereby grants, leases and lets exclusively to Lessee the following
described land, hereinafter called leased premises:
0,/82 acres of Land, more or less, being lot(s) 8 , block 20 out of the CAST Wood addition, an addition to the city of
in volume 388 7 , page 37 of the plat records of tarrant county, texas.
OF THE LATTICE OF TANIANT COUNTY, TEXAS.
in the County of <u>Tarrant</u> , State of TEXAS, containing <u>Coll & 2</u> gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.
2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of
3. Royalities on oil, gas and other substances produced and sayed hereupider shall-be gaid by Lessee to Lessor's a follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be
additional wells except as expressly provided herein. 6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 60 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of unit producti

*8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in psrt, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shell extend to their respective heirs, devisees, executors, edministrators, successors and assigns. No change in Lessor's ownership shall heve the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days sffer Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has setisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, end failure of the transferree to satisfy such obligations with respect to the transferred interest shell not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or eny portion of the area covered by this lease, the obligation to pay or tender shut-in royelties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time end from time to time, deliver to Lessor or file of record e written release of this lesse as to a full or undivided interest in all or any portion of the area covered by this lesse or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter snising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing end marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery. Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as mey be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, end the construction and use of roads, canals, pipelines. reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, end the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leesed premises or lands pooled therewith, the ancillary rights grented herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial terminetion of this lease; end (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lends used by Lessee hereunder, without Lessor's consent, end Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lends, and to comprecient implements and drawing crops thereon. Lessee shall have the right et any time to remove its futures.

premises or other lends used by Lessee hereunder, without Lessor's consent, end Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, end to commercial timber and growing crops thereon. Lessee shall have the right et eny time to remove its fixtures, equipment and meterials, including well casing, from the leased premises or such other lands during the term of this lease or within e reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental suthority height privadiction including restrictions on the drilling end production of wells, and the price of oil, gas, end other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or percental, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain necessary permits, equipment, services, material, water, electricity,

there is a finel judicial determination that a breech or default hes occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee feils to do so.

14. For the same consideration recited above, Lessor hereby grants, essigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leesed premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other trects of land end which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royelty or

other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or egainst the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any roystites or shut-n royalties otherwise payable to Lessoe In the event. Lessee is made ewere of any claim inconsistent with Lesses's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been fruitshed satisfactory evidence that such claim has been resolved.

Notwithstanding enything contained to the contrary in this lesse, Lessee shall not have eny rights to use the surface of the leased premises for drilling or other

operations

in counterparts, each of which is deemed an original and all of which only constitute one original. 17. In is lease mey be executed in counterparts, each of which is deemed an originel and all of which only constitute one originel.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil end gss leese peyments, in the form of rental, bonus end royalty, ere merket sensitive and may vary depending on multiple factors and that the Lessor is the product of good fatth negotiations. Lessor understands that these lease peyments and terms are final and that Lessor entered into this lease without duress or undus influence. Lessor recognizes that teese values could go up or down depending on market conditions. Lessor ecknowledgee that no representations or essurences were meds in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Nother perty to this lease will seek to effect the terms of this trensaction based upon eny differing terms which lesses has or may pendists with any other lessor woll and as owners. which Lessee has or may negotiste with any other lessors/oll and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE)		
Dy AnthiA L Neill	By:	
	ACKNOWLEDGMENT	
STATE OF COUNTY OF This instrument was acknowledged before one on the by: PHILLIP A. CARAWAY Notary Public State of Texas	day of MA 2009, Notary Public, State of TEAN	<u></u>
My Commission Expires March 23, 2011	Notary's name (printed): Notery's commission expires: (3-23-23-291)	Mia-X
COUNTY OF This instrument was acknowledged before me on the by:	day of, 2009,	
	Neton Dublic State of	

Notary's name (printed): Notary's commission exp



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

DALLAS

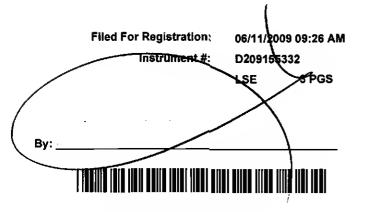
TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

\$20.00



D209155332

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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